Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

JOHNIFER GALAMAY BATARA, FE DIVINA GRACIA LAYSA, SENEN CARLOS BACANI, and RODOLFO CORPUS UNDAN,	**G.R. No. 256513**
Petitioners,	**Present:**
	LEONEN, *S.A.J.*, *Chairperson*
	LAZARO-JAVIER,
	LOPEZ, M.,
-versus-	LOPEZ, J.,* and
	KHO, JR., *JJ.*
OFFICE OF THE OMBUDSMAN,	**Promulgated:**
Respondent.	MAY 19 2025

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DECISION

M. LOPEZ, *J.*:

Before the Court is a Petition for Review on *Certiorari*[1] under Rule 45 of the Rules of Court, seeking to reverse and set aside the Decision[2] of the Court of Appeals (CA) dated February 7, 2020 and the Resolution[3] dated February 19, 2021 in CA-G.R. SP Nos. 152169, 152214, and 152282 finding

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* On official business.

1 *Rollo*, pp. 3–69.

2 *Id.* at 78–116. The February 7, 2020 Decision in CA-G.R. SP Nos. 152169, 152214, & 152282 was penned by Associate Justice Walter S. Ong and concurred in by Associate Justices Mariflor P. Punzalan Castillo and Victoria Isabel A. Paredes of the Fifth Division, Court of Appeals, Manila.

3 *Id.* at 117–140. The February 19, 2021 Resolution in CA-G.R. SP Nos. 152169, 152214, & 152282 was penned by Associate Justice Walter S. Ong and concurred in by Associate Justices Mariflor P. Punzalan Castillo and Victoria Isabel A. Paredes of the Former Fifth Division of the Court of Appeals, Manila.

Johnifer Galamay Batara, Fe Divina Gracia Laysa, William G. Padolina, Senen Carlos Bacani, Rodolfo Corpus Undan, and Fe N. Lumawag guilty of grave misconduct.

Antecedents

The case stemmed from separate administrative Complaints dated June 15, 2011[4] filed by the Office of the Ombudsman (Ombudsman) Field Investigation Office (FIO) against Johnifer Galamay Batara, Fe Divina Gracia Laysa, Senen Carlos Bacani, and Rodolfo Corpus Undan (Batara, et al.), and William G. Padolina (Padolina), members of the Board of Trustees (BOT), and Fe N. Lumawag (Lumawag), cashier IV of the Philippine Rice Research Institute (PhilRice), a government-owned and controlled corporation, for their participation in approving and implementing the PhilRice Car Plan (Car Plan).[5]

On November 5, 2008, the BOT discussed the implementation of the Car Plan allowing PhilRice employees (the beneficiaries) to own motor vehicles and creating an internal committee to draft the guidelines.[6] On the same date, the BOT issued Resolution No. 208-08-52 (BOT Resolution) formally approving the piloting of the Car Plan:

> BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the PhilRice [Board] *approves in principle – subject to necessary modifications that are most advantageous to the government* – the Piloting of PhilRice Employees' Car Plan (10 units) through Rental of Motor Vehicles for a Continuous Period of 16 Days or Longer, *subject to availability of funds and to an Administrative Order* that shall be issued for the purpose – as presented and deliberated on in the 52nd Board Meeting.[7] (Emphasis supplied)

During the November 26, 2008 meeting, the BOT clarified that the vehicles will not bear red plates since they are not government properties. The vehicles will be rented from a vehicle dealer or financing company.[8] However, on December 23, 2008, PhilRice's Executive Council discussed that the beneficiaries would acquire the vehicle and the rentals may be used to pay the amortization. Regarding the implementing guidelines, the Executive Council agreed that they will draft the guidelines and ask for the BOT's approval.[9]

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4 *Id.* at 82, 17.
5 *Id.* at 81–82.
6 *Id.* at 197–198.
7 *Id.* at 201.
8 *Id.* at 204.
9 *Id.* at 220.

But then, in January 2009, PhilRice's Executive Director Mr. Ronilo A. Beronio, issued Administrative Order (AO) Nos. 2009-02[10] and 2009-05[11] dated January 16, 2009 and January 30, 2009, respectively, prescribing the general guidelines of the Car Plan.[12] The guidelines provide, among others, that the beneficiaries' acquisition of motor vehicles will be financed by the Philippine National Bank (PNB). The motor vehicles shall bear green plates since they are privately owned by the beneficiaries. PhilRice only rents the motor vehicles and pays the monthly rental fees to the beneficiaries. In turn, the beneficiaries will have to pay the monthly amortization to PNB for three years.[13] Specifically, the beneficiaries must have a minimum official travel of 3,000 kilometers per month for their amortizations to be covered by the rental fee. If the beneficiary's official travel exceeds the minimum distance, the excess rental payment shall be credited to the succeeding month.[14] Otherwise, the beneficiary may dispatch the vehicle for general PhilRice official use, pay the difference between the use and the fixed monthly amortization, or extend the official use from three years to five years.[15] However, AO No. 2009-05(A)[16] dated February 9, 2009 amended the guidelines and provided that the beneficiaries' participation will no longer be based on the minimum official travel. Instead, the beneficiary's participation is fixed at 15% of the amortization cost.

Ten PhilRice employees, including the executive director, availed of the Car Plan. This resulted in 10 separate motor vehicle loans amounting to PHP 15,721,500.00 with PNB. PhilRice guaranteed the loans by entering into Hold-Out Agreements with PNB against its deposit, as provided in AO No. 2009-05.[17] Subsequently, PhilRice entered into separate lease contracts with the Car Plan beneficiaries for the use of the motor vehicles covered by the Car Plan. PhilRice paid the beneficiaries a total of PHP 2,860,787.60 from February to August 2009.[18]

On May 14, 2009, the executive director issued AO No. 2009-15 containing the guidelines on private vehicle rentals. It provides that the rental of private vehicles shall be open to private vehicle owners including PhilRice staff, among others. On June 19, 2009, the BOT revisited the Car Plan and

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10 *Id.* at 223–225.
11 *Id.* at 226–228.
12 *Id.* at 83–86.
13 *Id.*
14 *Id.* at 224.
15 *Id.* at 227.
16 *Id.* at 230–231.
17 *Id.* at 87–91, 226. *Administrative Order No. 2009-05.*
1.0 General Purpose and Basic Nature
This Order is issued to prescribe the general guidelines for the PhilRice Car Plan pursuant to BOT Resolution No. 208-08-52. The vehicles shall bear green plates as they are, in effect, privately owned by PhilRice staff. As they are privately owned, PhilRice merely rents them from the private owners. *PhilRice also merely guarantees via entering into a hold out agreement against deposit in favor of the [PNB] in the amount equivalent to or more than the total amount of loan, and pays for the monthly amortization based on the minimum official monthly use of the vehicles for PhilRice official purposes.* (Emphasis supplied)
18 *Id.* at 91.

found that the guidelines appear onerous and misleading. The BOT confirmed the rental guidelines in the hope of correcting the problems with the Car Plan guidelines.[19]

Ombudsman's Decision

On September 1, 2016, the Ombudsman issued a Joint Decision[20] finding the PhilRice officers liable for grave misconduct. The Ombudsman found that the BOT was fully aware of the terms in the guidelines which discussed the scheme of entering into Hold-Out Agreements with PNB and car rental contracts with the Car Plan beneficiaries. The Hold-Out Agreements caused undue injury to PhilRice because it prevented PhilRice from using its funds with PNB to secure its employees' personal loan obligations. Meanwhile, the car rental contracts caused the disbursement of PHP 2,860,787.60 without public bidding. The BOT did not object to or reject the patently onerous guidelines that gave unwarranted benefits and advantages to the beneficiaries. Therefore, the BOT willfully and flagrantly violated the law and grossly neglected their fiduciary duties toward PhilRice. On the other hand, Lumawag, as the cashier of PhilRice, is liable for entering into Hold-Out Agreements with PNB knowing that the Hold-Out Agreements were designed to guarantee PhilRice employees' personal obligations. PhilRice officers filed their respective Motions for Reconsideration but were denied.[21]

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19 *Id.* at 233–240.

20 *Id.* at 411–443. The September 1, 2016 Joint Decision in OMB-C-A-13-0182, OMB-L-A-13-0336, and OMB-L-A-13-0358 was penned by Graft Investigation and Prosecution Officer III Russeli Laber-Lay-At; Reviewed by Acting Director, P1AB-E, PAMO II; Recommended for Approval by Assistant Ombudsman, PAMO II Marilou B. Ancheta; Approved by Ombudsman Conchita Carpio Morales of the Office of the Ombudsman, Quezon City.
The dispositive portion of the Joint Decision reads:
WHEREFORE, this Office finds respondents JOHNIFER BATARA *y* GALAMAY, FE D. LAYSA, WILLIAM PADOLINA *y* GONZALES, WINSTON C. CORVERA, GELIA CASTILLO *y* TAGUMPAY, SENEN BACANI *y* CARLOS, RODOLFO UNDAN *y* CORPUZ, FE N. LUMAWAG, RODOLFO ESCABARTE, JR. *y* SUMAYA, MANUEL G. GASPAR, EDGAR LIBETARIO *y* MEDIJA, MARIO MOVILLON *y* MINGI, and ARTEMIO VASALLO *y* BERNARDO guilty of GRAVE MISCONDUCT and are meted the penalty of DISMISSAL from the service, including all the accessory penalties, cancellation of eligibility, forfeiture of retirement benefits, and disqualification for reemployment in the government service. In the event that the penalty of Dismissal can no longer be enforced due to respondents' separation from the service, the same shall be converted into a Fine in the amount equivalent to respondents' respective salaries for one (1) year, payable to the Office of the Ombudsman, and may be deductible from respondents' retirement benefits, accrued leave credits or any receivable from their office. It shall be understood that the accessory penalties attached to principal penalty of Dismissal shall continue to be imposed.
The complaint (OMB-C-A-13-0182) filed against ARTHUR YAP *y* CUA, MA. REMEDIOS V. DE LEON and FELIZARDO VIRTUCIO, JR. *y* KATIMBANG, is DISMISSED.
The complaint (OMB-L-A-13-0336) filed against SOPHIA T. BORJA, ROLANDO T. CRUZ, SERGIO R. FRANCISCO, and EVANGELINE B. SIBAYAN, is DISMISSED.
The complaints against respondent RONILLO BERONIO *y* ALEJANDRO (OMB-L-A-13-0336 and OMB-L-A-13-0358) are hereby DISMISSED for lack of jurisdiction.
SO ORDERED.

21 *Id.* at 79, 91–93.

CA Ruling

On appeal, the CA ruled that Batara, et al. failed to prove that their rights to speedy disposition of cases were violated because they merely alleged that the case was pending with the Ombudsman for seven years. The CA also upheld the OMB's findings that PhilRice officers are liable for grave misconduct:

> The *Petitions for Review* are DENIED. The appealed *Joint Decision* dated 01 September 2016 and *Joint Order* dated 20 June 2017 issued by the Ombudsman in OMB-C-A-13-0182 and OMB-L-A-13-0358 are AFFIRMED.
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> IT IS SO ORDERED.[22] (Emphasis in the original)

The CA explained that in allowing the government funds to be used for private purposes, PhilRice officers exhibited an act of corruption, which included the wrongful use of a public officer's station or character to procure some benefit for another person. At the time of the filing of the complaints, PhilRice already paid the beneficiaries PHP 2,860,787.60 from February to August 2009.[23] The car rental scheme also contravened the provisions of Republic Act (RA) No. 9184 on the required public bidding.[24]

The PhilRice officers filed their respective Motions for Reconsideration. Unknown to Batara et al.'s counsel, the CA dismissed their Motions in a September 3, 2020 Resolution[25] for being filed out of time:

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> 2. Considering the belated filing of petitioners Johnifer Galamay Batara, et al.'s Motion for Reconsideration on July 1, 2020, the Decision promulgated on February 7, 2020 has attained finality on March 4, 2020 with respect to said petitioners. Let Entry of Judgment be issued.[26]

Later, the CA also denied Lumawag and Padolina's Motions in a February 19, 2021 Resolution.[27] In the same Resolution, the CA reiterated that Batara et al. belatedly filed their Motions for Reconsideration, and an entry of judgment was issued.[28] The dispositive portion of the Resolution only denied Lumawag's and Padolina's Motions:

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22 *Id.* at 114.
23 *Id.* at 109.
24 *Id.* at 110.
25 CA *rollo* (G.R. S.P. No. 152169, vol. 1), p. 708.
26 *Id.*
27 *Rollo*, pp. 117–140.
28 *Id.* at 118. The relevant portion of the resolution reads:

> Accordingly, considering that Padolina and Lumawag presented no cogent justification for the reconsideration of this Court's *Decision* dated 07 February 2020, their *Motions for Reconsideration* dated 04 March 2020 and 12 March 2020, respectively, are DENIED for lack of merit.
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> IT IS SO ORDERED.[29] (Emphasis in the original)

Batara et al.'s counsel learned about the CA's February 19, 2021 Resolution from one of his clients.[30] Believing that the CA ignored their Motion for Reconsideration, Batara et al. filed a Petition for Review on *Certiorari* before this Court.[31]

Batara, et al. insist that they timely filed a Motion for Reconsideration. They claim that their counsel received a copy of the CA's February 7, 2020 Decision on June 17, 2020 and filed a Motion for Reconsideration after 14 days, or on July 1, 2020. The Motion was therefore filed within the 15-day period. Notwithstanding, the CA disregarded their Motion and rendered the February 19, 2021 Resolution.[32] Batara et al. also claim that their right to speedy trial was violated. The Ombudsman commenced the investigation as early as June 19, 2009, but it only rendered a Decision on September 1, 2016.[33]

On the merits, Batara, et al. argue that they are not liable for grave misconduct. They admit that they approved the Car Plan but with the following conditions: (a) the vehicles will be rented from a vehicle dealer or financing company; (b) the plan must not distort the budget; (c) it must be subject to an Internal Committee of the BOT that needs to put together the guidelines; and (d) it must be subject to an Internal Committee that will implement the Car Plan. However, these conditions were not met and no Internal Committee was created. The BOT did not approve the Car Plan implemented by PhilRice's Executive Director Mr. Ronilo A. Beronio, now a Municipal Circuit Trial Court Judge of Roxas, Palawan.[34]

For its part, the Ombudsman argues that Batara, et al. erroneously reckoned the counting of the period within which to file its Petition for Review on *Certiorari* with this Court from its receipt of the February 19, 2021 Resolution denying Lumawag's and Padolina's Motion for Reconsideration with the CA. The counting of the period should start from Batara, et al.'s receipt of the September 3, 2020 Resolution denying their own Motion for Reconsideration with the CA. Batara, et al. failed to demonstrate the

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With respect to petitioners Johnifer Galamay Batara, Fe Divina Gracia Laysa, Senen Carlos Bacani and Rodolfo Corpus Undan ("Batara, et al.") in CA-GR. SP No. 152282, on account of their belatedly filed their Motion for Reconsideration dated 29 June 2020, an Entry of Judgment was issued. (Citations omitted)

29 *Id.* at 140.
30 *Id.* at 28.
31 *Id.* at 3–69.
32 *Id.* at 7.
33 *Id.* at 31.
34 *Id.* at 36, 70.

timeliness of their Petition with the Court. Thus, their Petition for Review on *Certiorari* before the Court was filed out of time.[35]

As regards the alleged violation of Batara, et al.'s right to speedy disposition of cases, the Ombudsman alleges that they failed to timely raise this issue.[36] At any rate, Batara, et al. failed to show that the delay of seven years was characterized by vexatious, capricious, or oppressive delays or that there was an inordinate delay.[37] Mere mathematical computation is not enough to conclude that there was a violation of the right to speedy disposition of cases.[38]

On the substantive issues, the Ombudsman claims that Batara, et al. knew of the Car Plan and the Car Rental Scheme because the minutes of the meeting on June 19, 2009, stated that PhilRice had implemented the Car Plan that allowed payment of amortization through the Car Rental Scheme. Batara, et al. cannot shift the blame to the executive director. They approved and allowed the Car Plan and Car Rental Scheme to provide benefits for some employees even if it was very onerous and disadvantageous to PhilRice and to the government. Moreover, the Car Rental Scheme allowed the use of government funds for private use and disregarded the law requiring public bidding in the procurement and lease of motor vehicles. For these reasons, Batara et al. are supposedly liable for grave misconduct.[39]

Issues

A. Whether Batara, et al.'s rights to the speedy trial or disposition of cases was violated;

B. Whether Batara, et al. timely moved for the reconsideration of the CA's February 7, 2020 Decision; and

C. Whether Batara, et al. are liable for grave misconduct.

The Court's Ruling

As a general rule, the factual findings of the Ombudsman are accorded due respect and weight when supported by substantial evidence.[40] This is especially true when upheld by the CA. However, as discussed below, the CA's Decision holding Batara, et al. liable for grave misconduct is not

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35 *Id.* at 569.
36 *Id.* at 589.
37 *Id.* at 591.
38 *Id.* at 592.
39 *Id.* at 580–581.
40 *Field Investigation Office of the Office of the Ombudsman v. Castillo*, 794 Phil. 53, 61 (2016) [Per J. Perlas-Bernabe, First Division].

supported by the evidence on record and is not in accord with the applicable jurisprudence.

A. Batara et al.'s right to speedy disposition of cases was violated.

Batara, et al. confuse the right to a speedy trial with the right to speedy disposition of cases. The right to speedy trial is guaranteed under Article III, Section 14(2) of the Constitution, while the right to a speedy disposition of cases is guaranteed under Article III, Section 16 of the Constitution. Although Batara et al. argue that their right to a speedy trial was violated, they cited Article III, Section 16 of the Constitution.

Article III, Section 16 of the Constitution unequivocally guarantees the right of persons to speedy disposition of cases before all judicial, quasi-judicial, or administrative bodies. Relevantly, Article XI, Section 12 of the Constitution and RA No. 6670, Section 13, otherwise known as the Ombudsman Act of 1989, require the Ombudsman to act promptly on all complaints filed before it against public officials or employees of the government, or any subdivision, agency, or instrumentality thereof, including government-owned or controlled corporations. Thus, courts and administrative bodies are constitutionally mandated to resolve matters before them with speed and efficiency.[41]

The right to speedy disposition of cases is deemed violated when the proceedings are attended by vexatious, capricious, and oppressive delays; or when unjustified postponements of the trial are asked for and secured; or a long period is allowed to elapse without the party having their case tried without cause or justifiable motive.[42] In *Martin v. Gen. Ver,*[43] the Court introduced a balancing test to determine the existence of inordinate delay when the right to a speedy trial is invoked. The test involves the following factors: (a) the length of the delay; (b) the reason for the delay; (c) the defendant's assertion or non-assertion of their right; and (d) prejudice to the defendant resulting from the delay.[44] The Court reiterated the same test in *Coscolluela v. Sandiganbayan,*[45] to determine whether a person has been denied of their right to speedy disposition of cases.[46]

In *Cagang v. Sandiganbayan Fifth Division, Quezon City,*[47] the Court laid down the mode of analysis when the right to speedy disposition of cases

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41 *Central Cement Corporation (now Union Cement Corporation) v. Mines Adjudication Board*, 566 Phil. 275, 287 (2008) [Per. J. Reyes, R.T., Third Division].

42 *Bautista v. Sandiganbayan, Sixth Division*, 857 Phil. 726, 733 (2019) [Per. J. Perlas-Bernabe, Second Division].

43 208 Phil. 658 (1983) [Per J. Plana, *En Banc*].

44 *Id.* at 664.

45 714 Phil. 55 (2013) [Per. J. Perlas-Bernabe, Second Division].

46 *Id.* at 61.

47 837 Phil. 815 (2018) [Per J. Leonen, *En Banc*].

or the right to a speedy trial is invoked. First, the right to speedy disposition of cases may be invoked before any tribunal when the accused is already prejudiced by the proceeding. Second, a case is deemed initiated upon the filing of a formal complaint before conducting a preliminary investigation. Third, the burden of proving the delay depends on the time when the right is invoked. The defense bears the burden when the right is invoked within the periods in the current Supreme Court resolutions and circulars or the periods promulgated by the Ombudsman. The burden shifts to the prosecution when the right is invoked beyond the periods. Fourth, the Courts must consider the entire context of the case, except in cases of malicious prosecution or when there is a waiver of the accused's right. When the accused acquiesced to the delay, the rights can no longer be invoked. Fifth, the right must be timely raised. The accused or the respondents must file the appropriate motion upon the lapse of the period. Otherwise, they are deemed to have waived their right to speedy disposition of cases.[48]

11/11/2025

Applying *Cagang* in the more recent case of *Figueroa v. Sandiganbayan* (*Figueroa*),[49] the Court found that the issuance of the Ombudsman's Joint Resolution finding probable cause three years and three months after the filing of the Complaint constitutes a delay in the conduct of the preliminary investigation. The Court did not give credence to the Ombudsman's argument that the delay was reasonable since it merely gave a general statement that it is important to evaluate the allegations of the Complaint, the defenses of the respondents, and the evidence gathered before the resolution of the case:

> Obviously, whether the 10-day, 12-month or 24-month period is applied, it is clear that the Ombudsman exceeded the specified time for preliminary investigation. To be sure, the complaint against Rene and his co-accused was filed on June 21, 2011. On the other hand, the joint resolution finding probable cause against Rene and his co-accused was issued on September 22, 2014, or three [] years and three [] months after the filing of the complaint. As such, the Ombudsman must now justify the delay[.]
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> . . . .
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> Notably, the Ombudsman did not discuss the context of the case of Rene and his co-respondents, the amount of evidence to be weighed, or the complexity of the issues raised therein to explain the delay in the conclusion of the preliminary investigation. The Ombudsman merely argued that the delay, if any, was reasonable. The Ombudsman highlighted the importance of evaluating the allegations of the complainant, the defenses of the respondents, and the evidence gathered in a case before arriving at a resolution. The Ombudsman even relied on the steady stream of cases before it. Differently stated, the prosecution failed to prove that the delay was reasonable and justified.[50]

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48 *Id.* at 880–882.

49 G.R. Nos. 235965-66, February 15, 2022 [Per J. M. Lopez, First Division].

50 *Id.*

The Court added that failure to raise the right to speedy disposition of cases before the Ombudsman did not amount to the accused's acquiescence or waiver of the right ~~to~~ to speedy disposition of cases.

In the related case of *Yap v. Sandiganbayan (Sixth Division),*[51] the Court acquitted Arthur Cua Yap (Yap), PhilRice's BOT Chairman, for violating RA No. 3019, Sections 3(e) and 3(g). In that case, the Information charging Yap for violating RA No. 3019 likewise charged Batara, et al. for the same violations because of the PhilRice Car Plan. The Court found that the Ombudsman violated Yap's right to speedy disposition of cases when they failed to meet the 10-day period to conduct a preliminary investigation. It took three years, six months, and two days for the Ombudsman to terminate the preliminary investigation without any justifiable reason. A mere allegation that the delay was reasonable to allow the prosecutor to carefully evaluate the complaint and the supporting documents is insufficient for the prosecution to discharge the burden of justifying the delay.

Here, the delay of five years, two months, and 17 days from the time the FIO filed the Complaint on June 15, 2011, until the Ombudsman's Resolution of the administrative Complaint on September 1, 2016, is likewise unjustified.

The applicable rule at the time of the filing of the Complaint is OMB AO No. 17, which amended Rule III (Procedure in Administrative Cases) of AO No. 7, or the Rules of Procedure of the Office of the Ombudsman. It does not provide a specific period for the adjudication of administrative cases. Nevertheless, the Court finds that the delay of more than five years is unreasonable.

OMB AO No. 17, Section 6[52] provides that the hearing officer shall submit a proposed decision not later than 30 days after the case is declared submitted for resolution. The hearing officer may consider the case submitted for resolution after the submission of the parties' position papers,[53] or upon

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51 G.R. Nos. 246318-319, January 18, 2023 [Per J. Dimaampao, Third Division].

52 OMB Adm. Order No. 17 (2003), Amendment of Rule III, Adm. Order No. 07), sec. 6.
Section 6. Rendition of decision. – *Not later than thirty (30) days after the case is declared submitted for resolution, the Hearing Officer shall submit a proposed decision containing his findings and recommendation for the approval of the Ombudsman.* Said proposed decision shall be reviewed by the Directors, Assistant Ombudsman and Deputy Ombudsmen concerned. With respect to low ranking public officials, the Deputy Ombudsman concerned shall be the approving authority. Upon approval, copies thereof shall be served upon the parties and the head of the office or agency of which the respondent is an official or employee for his information and compliance with the appropriate directive contained therein. (Emphasis supplied)

53 OMB Adm. Order No. 17 (2003), Amendment of Rule III, Adm. Order No. 07, sec. 5(b)(1).
Section 5. Administrative adjudication; How conducted. –

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b) If the hearing officer finds no sufficient cause to warrant further proceedings on the basis of the affidavits and other evidence submitted by the parties, the complaint may be dismissed. Otherwise, *he shall issue an Order (or Orders) for any of the following purposes:*

the issuance of an order declaring the case submitted for resolution.[54] Considering that the Ombudsman failed to mention any further clarificatory hearings, the hearing officer had 30 days from December 11, 2013, the date when Batara, et al. filed their Joint Position Paper, to submit a proposed decision. However, it took the Ombudsman more than two years from the filing of the position paper to issue the Joint Decision. Even if the Court considers that the Ombudsman's Joint Decision involves three administrative cases and the other parties may have filed their respective position papers on a later date, the delay in the issuance of the Joint Decision remained unexplained. This is especially true when the Ombudsman neither described the amount of evidence to be weighed nor discussed the complexities of the issues to be resolved. A bare statement that the cases involved 21 respondents is insufficient to justify the delay. Absent any attempt on the Ombudsman's part to explain the delay, following *Figueroa,* the Court is inclined to rule that Batara et al.'s rights to speedy disposition of cases were violated.

Interestingly, the recent AO No. 1, Series of 2020, which prescribes the periods in the conduct of investigations by the Ombudsman, provides that the proceedings for the adjudication of administrative cases shall generally not exceed 12 months. To our mind, since the Ombudsman considers one year to be sufficient to dispose an administrative case, the Ombudsman's resolution of the administrative case against Batara, et al. for more than five years is clearly unreasonable.

For these reasons, the administrative cases against Batara, et al. must be dismissed for violating their right to speedy disposition of cases.

B. Batara et al. timely moved for the reconsideration of the CA's February 7, 2020 Decision. The entry of judgment must be set aside.

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1) *To direct the parties to file, within ten (10) days from receipt of the Order, their respective verified position papers.* The position papers shall contain only those charges, defense and other claims contained in the affidavits and pleadings filed by the parties. Any additional relevant affidavits and/or documentary evidence may be attached by the parties to their position papers. *On the basis of the position papers, affidavits and other pleadings filed, the Hearing Officer may consider the case submitted for resolution.* (Emphasis supplied)

54 OMB Adm. Order No. 17 (2003), Amendment of Rule III, Adm. Order No. 07, sec. 5(b)(3).
Section 5. Administrative adjudication; How conducted. –

. . . .

b) If the hearing officer finds no sufficient cause to warrant further proceedings on the basis of the affidavits and other evidence submitted by the parties, the complaint may be dismissed. Otherwise, *he shall issue an Order (or Orders) for any of the following purposes:*

. . . .

3) *If the Hearing Officer finds no necessity for further proceedings on the basis of the clarificatory hearings, affidavits, pleadings and position papers filed by the parties, he shall issue an Order declaring the case submitted for resolution.* The Hearing Officer may also require the parties to simultaneously submit, within ten (10) days from receipt of the Order, their Reply Position Papers . The parties, if new affidavits and/or exhibits are attached to the other party's Position Paper, may submit only rebutting evidence with their Reply Position Papers. (Emphasis supplied)

Well-settled is the rule that when a party is represented by a counsel, all notices, including court orders and decisions, must be served upon the counsel on record at their exact given address. Service of the notice upon any person other than the counsel is not legally effective or binding upon the party. Accordingly, the reckoning point of the receipt of the court order or resolution is the date of receipt by the party's counsel.[55]

In *Gatmaytan v. Dolor*,[56] the Court ruled that service of papers, processes, and pleadings upon the counsel's former address is ineffectual when the counsel serves a notice of change in address upon a court and the court acknowledges the change. The service is deemed completed only when made at the updated address. But then, a party must still prove when the service was made at the updated address to be entitled to the relief prayed for.

Here, Batara, et al. proved that the CA's Decision was sent to their counsel's previous address, and their counsel only received the Decision on June 17, 2020. Their submissions show that their counsel has not been receiving the CA's issuances despite his filing of a notice of change of address as early as February 4, 2019, which the CA noted in a February 8, 2019 Resolution.[57] The Notice of Judgment[58] of the February 7, 2020 Decision provides that it was resent to their counsel on March 4, 2020, because the CA sent it to the wrong address. Likewise, the CA's September 3, 2020 Resolution dismissing Batara, et al.'s Motion for Reconsideration for being filed out of time was sent to their counsel's previous address.[59]

Batara, et al.'s counsel received the February 7, 2020 Decision only on June 17, 2020. This is supported by the registry receipt and the certification from the Quezon City Post Office indicating that Batara, et al.'s counsel received the Decision on June 17, 2020. Consequently, Batara, et al. had until July 2, 2020 to move for reconsideration. Thus, Batara, et al. timely filed a Motion for Reconsideration of the CA February 7, 2020 Decision on July 1, 2020.

The CA erred in issuing an Entry of Judgment[60] because its February 7, 2020 Decision with respect to Batara, et al. has not yet attained finality. The CA was fully aware that Batara, et al.'s counsel did not receive its February 7, 2020 Decision, so it resent the Decision to the correct address on March 4, 2020—the same day when the CA's Decision supposedly became final.[61] Yet,

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55 *Social Security System v. Commission on Audit*, G.R. No. 222217, July 27, 2021 [Per J. Rosario, *En Banc*]; *Cervantes v. City Service Corporation*, 784 Phil. 694, 698–699 (2016) [Per J. Peralta, Third Division]; *Ramos v. Spouses Lim*, 497 Phil. 560, 564–565 (2005) [Per J. Garcia, Third Division].

56 806 Phil. 1, 3 (2017) [Per J. Leonen, Second Division].

57 CA *rollo* (CA G.R. S.P. No. 152169, vol. 1), p. 483.

58 *Rollo*, p. 513.

59 CA *rollo* (CA G.R. S.P. No. 152169, vol. 1), p. 708, dorsal portion.

60 *Id.* at 709.

61 *Rollo*, p. 569. The relevant portion of the Resolution, as quoted by the OMB, states:

it denied Batara, et al.'s Motion for Reconsideration for being filed out of time and ordered the issuance of an Entry of Judgment in a Resolution dated September 3, 2020. After that, the Resolution was again sent to the wrong address.[62] This constitutes an egregious error on the CA's part.

The Court stresses that the finality of judgment becomes a fact only upon the lapse of the period of appeal and no appeal, motion for reconsideration, or motion for new trial is filed.[63] Considering that Batara, et al. timely filed a Motion for Reconsideration, the Court cannot uphold the validity of the Entry of Judgment. In effect, Batara, et. al.'s time to file a Petition for Review on *Certiorari* before the Court has not yet commenced because they have not received the Resolution denying their Motion for Reconsideration.

At any rate, the Court deems it proper to rule on the issues to expedite the resolution of the case.

C. Petitioners are not liable for grave misconduct.

Misconduct is defined as an intentional wrongdoing or deliberate violation or transgression of a rule of law or standard of behavior or action. It implies a wrongful intention and not a mere error of judgment.[64] In *Field Investigation Office of the Office of the Ombudsman v. Castillo*,[65] We enumerated the following elements of grave misconduct: (a) a rule of action, standard of behavior, or rule of law; (b) transgression or violation of the rule which must be intentional and not a mere error of judgment; (c) close relation or intimate connection between the misconduct and the public officer's performance of duties and functions; and (d) presence of corruption, clear intent to violate the law, or flagrant disregard of an established rule.

We have emphasized in *Moreno v. Court of Appeals*[66] the importance of proving intent in grave misconduct:

> *Grave misconduct,* with which Moreno stands charged, is define[d] as wrongful, improper, or unlawful conduct committed in connection with the performance of official functions, *motivated by a premeditated, obstinate, or intentional purpose, and coupled with the elements of*

Considering the belated filing of petitioners Johnifer Galamay Batara, et al.'s Motion for Reconsideration on July 1, 2020, the Decision promulgated on February 7, 2020 has attained finality on March 4, 2020 with respect to said petitioners. Let Entry of Judgment be issued[.]

62 CA *rollo* (CA G.R. S.P. No. 152169, vol. 1), p. 708.

63 *Philippine Savings Bank v. Papa,* 823 Phil. 725, 736 (2018) [Per J. Martires, Third Division].

64 *In re: Impeachment Horrilleno,* 43 Phil 212, 214 (1922) [Per J. Malcolm]; *Office of the Ombudsman v. Miedes, Sr.,* 570 Phil. 464, 472 (2008) [Per J. Austria-Martinez, *En Banc*]; *Ganzon v. Arlos,* 720 Phil. 104, 113 (2013) [Per J. Bersamin, *En Banc*].

65 794 Phil. 53, 61–62 (2016) [Per J. Perlas-Bernabe, First Division].

66 847 Phil. 941 (2019) [Per Reyes, A., Jr., Third Division].

> *corruption, clear intent to violate the law, or flagrant disregard of an established rule.* It is an odious offense that has always been and will continue to be anathema in the civil service[.][67] (Emphasis supplied, citations omitted)

Intentions involve a state of mind, which is sometimes difficult to decipher. Nevertheless, the true intent of the offenders may be ascertained through their subsequent and contemporaneous acts, together with the evidentiary facts.[68] In cases involving administrative liability for grave misconduct, the Court ruled in *Government Service Insurance System v. Mayordomo*[69] that the element of corruption is present when public officers unlawfully or wrongfully use their position to procure some benefit at the expense of another. In *Office of the Deputy Ombudsman for Luzon v. Dionisio,*[70] there is clear intent to violate the rules when the public officers are aware of the existing rules, yet they intentionally chose to disobey them. In *Imperial Jr. v. Government Service Insurance System,*[71] the Court required establishing the public officers' propensity to ignore the rules as clearly manifested in their actions to constitute flagrant disregard of the rules.

Indisputably, the implementation of the PhilRice Car Plan is unauthorized by law. In the related case of *Field Investigation Office, Office of the Ombudsman v. Judge Beronio,*[72] the Court declared:

> When respondent Judge Beronio was the Executive Director of PhilRice, *he allowed the use of public funds for the benefit of its employees, including him, by making PhilRice a guarantor to the car plan.* Section 4 of Presidential Decree No. 1445 lays out the basic guidelines that government entities must follow in disbursing public fund.
>
> *Any disbursement of public funds must be authorized by law and must serve a public purpose.* The creation and implementation of the PhilRice Car Plan using *PhilRice as a guarantor in the loan and hold out agreements utilized public funds which were not authorized by law or used solely for a public purpose.*[73]

After a judicious review, the Court is convinced that Batara, et al. are not liable for grave misconduct. Unlike Judge Beronio who issued the Car Plan guidelines, Batara, et al.'s participation in issuing the guidelines and implementing the Car Plan was not proved. Moreover, the Ombudsman failed to establish their corrupt motive or clear intent to violate or disregard the procurement laws. Therefore, the last two elements of grave misconduct are absent.

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67 *Id.* at 948.

68 *Multi-Ventures Capital and Management Corporation v. Stalwart Management Services Corporation,* 553 Phil. 385, 391 (2007) [Per J. Austria-Martinez, Third Division].

69 665 Phil. 131, 148 (2011) [Per J. Mendoza, *En Banc*].

70 813 Phil. 474, 490 (2017) [Per J. Perlas-Bernabe, First Division].

71 674 Phil. 286, 297 (2011) [Per J. Brion, *En Banc*].

72 A.M. No. MTJ-16-1872 [Formerly OCA IPI No. 15-2738-MTJ], April 20, 2016 [Notice, Third Division], *rollo,* pp. 70–77.

73 *Id.* at 74.

The BOT's participation is confined to the issuance of the Board Resolution approving the piloting of the Car Plan through the rental of motor vehicles for a continuous period of 16 days or longer, subject to the availability of funds and an administrative order for the purpose. During the November 26, 2008 meeting, the BOT made it clear that the vehicles would be rented from a vehicle dealer or financing company. On the contrary, the executive council, a body different from the board, discussed during the December 23, 2008 meeting that the beneficiary would acquire the vehicle and become the owner. Evidently, the Car Plan, at this point, is not yet ripe for implementation. The implementing guidelines are yet to be drafted and Batara et al. are yet to perform their duties and functions of examining and approving the implementing guidelines.

In January 2009, the executive director issued the two AOs providing the Car Plan guidelines, which facilitated its implementation. While the Ombudsman showed that the terms are prejudicial to PhilRice, it failed to establish that Batara et al. approved these guidelines or that they authorized the execution of the hold-out agreements. First, there is no evidence showing that an internal committee was formed to draft the guidelines, as agreed by the BOT in its November 5, 2008 meeting. Second, the terms that the rental payments may be used to pay the amortizations came from the executive council—not the BOT. Third, there is no evidence to prove that the BOT authorized the execution of the hold-out agreements with the PNB. Fourth, an examination of the June 19, 2009 minutes of the BOT meeting does not suggest the BOT's prior knowledge and approval of the Car Plan guidelines. The Board merely noted the existence of the Car Plan guidelines and its problems; what the Board approved was the rental guidelines under AO No. 2009-15 issued in May of 2009:

> *5. The 2009-05 guidelines appear onerous, which engendered the basic problem about the CarP.* Assumption 3 (cost of fuel to be consumed is about 10% of the monthly amortization) is not accurate. The numbers imply [PHP] 10/km! They need to be reviewed. Certain statements in those guidelines are admittedly misleading. The addendum guidelines (2009-05A) were issued to rectify the difficulty, even before the units were withdrawn from the dealers.
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> . . . .
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> 14. The thought of an employee renting his own vehicle could indeed be questionable, especially if it is done regularly. But the bottom issue is whether the rental practice is more advantageous to the government. The COA can attest to this. Renting vehicles at PhilRice is an open competition. If an outsider outbids a PhilRice employee-car owner, the outsider gets the trip, no matter how awkward it may then appear. In renting outsiders' vehicles, PhilRice pays only [PHP] 15/km; using red-plated vehicles, costs [PHP] 22/km, including the maintenance and personnel costs. Red-plates are not accident-proof either.

> 15. The second batch vehicles could each be pegged at [PHP] 1.2M maximum. We could need some [PHP] 30M time deposit (holdout), if we are to allow the 30 more personnel to benefit from a CarP. *That additional time deposit could be branded "disadvantageous to the government" as it is tied up with the bank until all units are paid. It would, therefore, be better for PhilRice to adopt the pure rental scheme.* Some 30 [to] 50 units of vehicles for rent in all PhilRice stations would be ideal. At 30 units, 18 would be at the CES; 12 at the stations. The market is certain and captive.
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> 16. Someday, PhilRice may not anymore need a motor pool, and its expenses for personnel mobility will be much lower. The car rental concept is classic outsourcing for government. Transparency will solve the "moral" issues that have resulted from the pilot CarP now in effect.
>
> 17. We check if cars for rent need to pay VAT, for the protection of owners. *The existing 10 units will now graduate into the RENTAL SCHEME, as covered by the guidelines on Private Vehicle Rental.* We are aware of the risks and possible disadvantages, but we will find solutions for them. We will increase TPL component of the comprehensive insurance. We could also explore FLEET INSURANCE for the 10 CARP units.
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> *CONCENSUS: the two AOs (2009-05 and -05A) are duly noted; the Rental Guidelines are confirmed.*[74] (Emphasis supplied)

The Court cannot agree with the Ombudsman's observation that Batara, et al.'s failure to object to or reject the Car Plan guidelines constitutes ratification of the plan. As indicated in the minutes of the meeting, Batara, et al. merely noted the existence of the Car Plan guidelines, which were rendered useless because the existing vehicles will be covered by the approved rental guidelines.

Batara, et al.'s approval of a Car Plan for PhilRice employees, on its own, does not indicate their corrupt motive or clear intent to violate or disregard the procurement laws. The Car Plan approved by the BOT is still subject to modifications, as indicated in the Board Resolution. The Car Plan guidelines are yet to be drafted and are still subject to the BOT's review and approval at the time of the issuance of the Board Resolution. Absent any evidence establishing that Batara, et al. approved the implementation of the Car Plan that is secured by PhilRice funds, the Court cannot hold them liable for grave misconduct. Stated differently, the BOT is yet to perform its duties and functions when the Car Plan was implemented. Hence, the elements of a close relation or intimate connection between the misconduct and the public officer's performance of duties and functions and the presence of corruption, clear intent to violate the law, or flagrant disregard of an established rule are absent.

Although the Court agrees with the OMB that the Car Plan gave unwarranted benefits and advantages to the beneficiaries because it allowed them to purchase and privately own the vehicles secured by public funds, the

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74 *Rollo*, pp. 237–240.

Ombudsman's evidence is insufficient to prove that Batara, et al. approved the guidelines that facilitated the implementation of the Car Plan.

In the circumstances, We hold that Batara, et al. committed nothing more than an error of judgment. The Ombudsman failed to discharge its burden of proving clear intent or flagrant disregard of the procurement laws.

ACCORDINGLY, the Petition is **GRANTED.** The Entry of Judgment in CA-G.R. SP Nos. 152169, 152214, and 152282 is **SET ASIDE.** The Court of Appeals Decision dated February 7, 2020 and Resolution dated February 19, 2021 in CA-G.R. SP Nos. 152169, 152214, and 152282 and the Office of the Ombudsman Joint Decision dated September 1, 2016 and Joint Order dated June 20, 2017 in OMB-C-A-13-0182, OMB-L-A-13-0336, and OMB-L-A-13-0358 are **REVERSED.** Johnifer Galamay Batara, Fe Divina Gracia Laysa, Senen Carlos Bacani, and Rodolfo Corpus Undan are **NOT GUILTY** of grave misconduct.

SO ORDERED.

MARIO V. LOPEZ
Associate Justice

WE CONCUR:

MARVIC M.V.F. LEONEN
Senior Associate Justice

AMY C. LAZARO-JAVIER
Associate Justice

(On official business)
JHOSEP Y. LOPEZ
Associate Justice

ANTONIO T. KHO, JR.
Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

MARVIC M.V.F. LEONEN
Senior Associate Justice
Chairperson, Second Division

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

ALEXANDER G. GESMUNDO
Chief Justice